

14 Fuel schemes

OVERVIEW

For the 2010–11 financial year:

- total grants paid under the fuel tax credits scheme were \$5.1 billion, a 2.3% increase over 2009–10
- total benefits paid under the product stewardship for oil program increased by 5.9% from 2009–10 to \$36 million
- total grants paid under the cleaner fuel grants scheme were \$31 million, a decrease of 9.3% over 2009–10.

INTRODUCTION

Excise duty is levied on petroleum products in Australia. Customs duty applies (at the same rate) to imported petroleum products.

The ATO administers fuel schemes that aim to:

- cut fuel costs by providing a credit for the fuel tax (excise and/or customs duty) included in the price of fuel, when used for specified activities
- support and encourage the environmentally sustainable management and recycling of used oil
- encourage the manufacture and importation of fuels that have a reduced impact on the environment.

The fuel schemes for the 2010–11 financial year were:

- fuel tax credits
- energy grants credits scheme (EGCS) for alternative fuels
- product stewardship for oil program
- cleaner fuels grants scheme.

This chapter contains statistics on grants or benefits paid under these fuel schemes for the 2010–11 financial year.

NEW FEATURES AND INFORMATION

The statistics reported in this chapter have been affected by the following changes to fuel schemes:

- claims for ultra low sulphur diesel under the cleaner fuel grants scheme ceased on 31 December 2008, but some claims could still be made until 31 December 2011
- there has been a decrease in the fuel tax credit rate for taxable fuel used in heavy vehicles travelling on a public road. Prior to 1 January 2009, the rate was 18.51 cents per litre. As a result of increases in the road user charge, the fuel tax credit rate for these heavy vehicles was reduced to 17.143 cents per litre from 1 January 2009 to 30 June 2009, 16.443 cents per litre from 1 July 2009 to 30 June 2010 and 15.543 cents per litre from 1 July 2010 to 30 June 2011
- The previous years' publications included a table on fuel sales grants scheme. This table has been removed from this publication, as the scheme ceased in 2006 and claims have been finalised.

FUEL TAX CREDITS

Fuel tax credits commenced on 1 July 2006, as part of reforms to modernise and simplify the fuel tax system and reduce the fuel tax burden on businesses and households (for domestic electricity generation). The energy grants credits scheme was substantially replaced with a single fuel tax credits system for all fuels except alternative fuels (such as liquefied petroleum gas, liquefied natural gas, compressed natural gas, ethanol and biodiesel).

From 1 July 2008, eligibility for fuel tax credits was expanded to include:

- other taxable fuels such as petrol used for previously eligible EGCS activities – for example, mining, agriculture and fishing
- taxable fuels used in a wider range of business activities, plant, machinery and equipment (these activities attracted a 50% credit).

For the 2010–11 financial year, the amount of fuel tax credits paid was \$5.1 billion, an increase of \$115 million or 2.3%.

Table 14.1 Fuel tax credits paid, by entity, 2009–10 and 2010–11 financial years

Entity	No.	2009–10 ¹ \$m	No.	2010–11 ¹ \$m
Company	202,775	3,918	203,461	4,066
Partnership	245,416	383	240,231	382
Government	6,076	154	6,330	119
Individual	113,802	93	112,750	90
Other ²	121,694	446	124,983	453
Total³	689,763	4,994	687,755	5,109

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 'Other' includes trusts and super funds.

3 Totals may differ from the sum of the components due to rounding.

From an industry perspective, the mining industry increased its claims by \$140 million, the highest dollar amount increase in fuel tax credits. This industry had a 7.4% growth in the amount claimed.

Table 14.2 Fuel tax credits paid, by industry, 2009–10 and 2010–11 financial years

Industry ²	2009–10 ¹		2010–11 ¹	
	No. ³	\$m	No. ³	\$m
Agriculture, forestry and fishing	306,901	624	306,110	646
Mining	7,343	1,891	7,547	2,031
Manufacturing	24,237	203	23,939	195
Electricity, gas, water and waste services	8,210	105	8,285	102
Construction	82,518	273	83,305	283
Wholesale trade	24,030	120	23,848	128
Retail trade	17,121	24	16,969	24
Accommodation and food services	4,833	10	4,889	10
Transport, postal and warehousing	150,849	1,090	146,732	988
Information media and telecommunications	500	6	497	12
Financial and insurance services	3,367	92	3,718	78
Rental, hiring and real estate services	13,150	36	13,228	38
Professional, scientific and technical services	6,673	338	6,803	345
Administrative and support services	11,998	16	12,101	22
Public administration and safety	5,469	111	5,728	85
Education and training	3,778	4	3,802	5
Health care and social assistance	1,860	2	1,845	2
Arts and recreation services	3,603	25	3,728	29
Other services and other	13,323	24	14,681	88
Total⁴	689,763	4,994	687,755	5,109

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

3 Claims processed during the period may not necessarily relate to fuel purchased during the same period.

4 Totals may differ from the sum of the components due to rounding.

In the 2010–11 financial year, the amount of fuel tax credits paid increased across most of the ranges when compared to 2009–10.

Table 14.3 Fuel tax credits claims, by amount paid, 2009–10 and 2010–11 financial years

Amount paid ³	2009–10 ¹		2010–11 ¹	
	No. ²	\$m	No. ²	\$m
Payable (greater than \$0)	3,519	–41	3,584	–56
\$0–\$29,999 refundable	673,827	1,279	671,638	1,285
\$30,000–\$69,999 refundable	6,491	287	6,543	291
\$70,000–\$99,999 refundable	1,486	124	1,458	122
\$100,000–\$499,999 refundable	3,228	687	3,199	681
\$500,000–\$999,999 refundable	590	428	674	488
\$1,000,000–\$4,999,999 refundable	504	981	540	1,044
\$5,000,000 or more refundable	118	1,249	119	1,255
Total⁴	689,763	4,994	687,755	5,109

1 Data for 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Claims processed during the period may not necessarily relate to fuel purchased during the same period.

3 Claims that are payable (over claims) relate to amounts owing to the ATO, whilst claims with refundable amounts relate to amounts paid by the ATO.

4 Totals may differ from the sum of the components due to rounding.

ENERGY GRANTS CREDITS SCHEME

The energy grants credits scheme (EGCS) commenced on 1 July 2003 and on 1 July 2006 was substantially replaced by the fuel tax credits scheme for all fuels except alternative fuels. The rates for alternative fuels have reduced yearly for the past five years, reducing to zero as of 1 July 2010. In the 2010–11 financial year, 101 claims and just over half a million dollars in payments were made, relating to previous financial years.

PRODUCT STEWARDSHIP FOR OIL PROGRAM

Under the product stewardship for oil (PSO) program, the government collects an excise levy on relevant petroleum-based oils or synthetic equivalents. The levy applies to both domestic and imported oils and is paid by oil producers and importers. Benefits are paid to recyclers as a volume-based incentive to encourage and increase the environmentally sustainable management and recycling of waste oil and to support economic recycling options. Benefits are provided at different rates, depending on the extent of processing and type of product. The lowest benefits are provided for basic burner fuels and the highest for full recycling into as-new, re-refined base oil.

The Department of Sustainability, Environment, Water, Population and Communities has policy responsibility for the product stewardship for oil program. The ATO administers the program by collecting the oil levy and paying the benefit.

In the 2010–11 financial year, 520 claims and \$36 million in benefits were paid under the product stewardship for oil program. The number of claims decreased by 6.1% while the value of claims and the number of litres claimed increased by 5.9% and 0.4% respectively, when compared to the previous year. These variations are mainly due to the final step in the phased removal of the additional benefits on 30 June 2009. The additional benefits provided time for waste oil recyclers to adjust to the new excise arrangements by providing temporary financial support over a three-year period.

Table 14.4 Product stewardship for oil program payments, 2009–10 and 2010–11 financial years

	2009–10 ^{1,2}			2010–11 ^{1,2}		
	No.	\$m	Litres claimed ('000)	No.	\$m	Litres claimed ('000)
PSO benefits ³	522	33	292,178	520	36	319,584
Additional benefits ⁴	32	1	26,219	0	0	0
Total⁵	554	34	318,397	520	36	319,584

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2010 respectively.

2 Recyclers can register in more than one category and may lodge more than one claim a year.

3 Excludes additional benefits.

4 Additional benefits were paid for the period 1 July 2006 to 30 June 2009. Payment of claims can be made if received within three years of the start of a claim period.

5 The totals may differ from the sum of the components due to rounding.

CLEANER FUELS GRANTS SCHEME

The cleaner fuels grants scheme provides payment of a grant for the manufacture and importation of eligible cleaner fuels. The scheme is designed to encourage the supply of fuels that have a reduced impact on the environment.

The cleaner fuels grant on biodiesel gives an effective excise rate of zero for biodiesel and biodiesel components of blends until 30 June 2011.

In the 2010–11 financial year, the cleaner fuels grants scheme experienced a fall in the number of claims and their value of payments by 11.8% and 9.3% respectively, when compared to the previous year. In comparison, the number of litres claimed increased by 23.0%, due to the last of the ultra low sulphur diesel claims which only paid one cent per litre.

Table 14.5 Cleaner fuels grants scheme payments, 2009–10 and 2010–11 financial years

Fuel	2009–10 ¹			2010–11 ¹		
	No. ²	\$m	Litres claimed ('000)	No.	\$m	Litres claimed ('000)
Biodiesel	837	34	90,095	707	30.86	80,903
Ultra low sulphur diesel ^{3,4}	<5	..	6,435	32	..	37,803
Total⁵	837	34	96,530	739	31	118,706

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 The total for the number of claims for 2009–10 does not include ultra low sulphur diesel due to the small number of claimants and privacy requirements. The scheme closed on 31 December 2008.

3 Although the grant payable for ultra low sulphur diesel ceased on 31 December 2008, some claims could still be made until 31 December 2011.

4 '..' means rounded to zero but not zero.

5 Totals may differ from the sum of the components due to rounding.

SOURCE OF FUEL SCHEMES STATISTICS

The statistics for this chapter are sourced from registration and claim forms for fuel tax credits, the energy grants credits scheme, the product stewardship for oil program and the cleaner fuels grants scheme. More than half of all claims are now lodged electronically via the ATO's electronic commerce interface, the electronic lodgment service, or business activity statements.

FUEL SCHEMES CHAPTER TABLES

The fuel schemes chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

LIST OF FUEL SCHEMES DETAILED TABLES

The following detailed tables relating to the fuel schemes are on the attached CD-ROM and included in the online version of this publication on our website at www.ato.gov.au. You can view or download all the detailed tables as PDF or Excel files.

Table 1 Fuel tax credits scheme – quantity and value of claims paid, by industry, 2006–07 to 2010–11 financial years

This table reports the number of claims, and the value of fuel tax credits claimed, by industry, for the 2006–07 to 2010–11 financial years.

Table 2 Energy grants credits scheme (off-road credits) – quantity and value of claims paid, by industry, 1996–97 to 2010–11 financial years

This table reports the number of claims, quantity of fuel and the value of energy grants for off-road credits claimed, by industry/operation groups, for the 1996–97 to 2010–11 financial years.

Table 3 Energy grants credits scheme (on-road credits) – quantity and value of claims paid, by industry, 2000–01 to 2010–11 financial years

This table reports the number of claims, quantity of fuel and the value of energy grants for on-road credits claimed, by industry/operation groups, for the 2000–01 to 2010–11 financial years.

Table 4 Product stewardship for oil program – quantity and value of benefits paid, 2001–02 to 2010–11 financial years

This table reports the number of claims, quantity of fuel and the value of benefits claimed by clients/entities under the product stewardship for oil program. The statistics are for the 2001–02 to 2010–11 financial years.

Table 5 Cleaner fuels grants scheme – number of claims and value of benefits paid, 2003–04 to 2010–11 financial years

This table reports the number of claims/entities, quantity of fuel and the value of benefits claimed under the cleaner fuels grants scheme. The statistics are for the 2003–04 to 2010–11 financial years.